

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Suits – Arbitration – an amount of RS.16,00,000/- as full and final Settlement of all claims including Principal and interest in all as lump sum of Arbitration Award dated: 26.6.1992 in O.P. No. 65/92 dated: 2-4-1993 in respect of the work relating to “Raising Embankment from Km. 2.00 to Km.2.50 of Kandaleru Reservoir (upto TBL)” entrusted to Sri K. Kota Reddy Contractor vide Agreement No.163/1984-85 dated.23.01.1985 - Sanctioned– Orders – Issued.

IRRIGATION & CAD (ARBITRATION) DEPARTMENT

G.O Ms. No. 108

Dated: 28 . 07.2011

Read the following:

- 1)From Sri K. Kota Reddy , Engineers & Contractors, Hyderabad. representation dated:18/08/2009.
- 2)From the E-N-C., NTR., TGP., Srikalahasti, Lr. No. ENC/TGP/SKHT/TS/T2/ARB.4622/88 Dated: 18/12/2009.
- 3) From the Engineer- in – Chief, Medium Irrigation, Hyderabad Lr. No. ENC/Med/DCE-III/OT1/ARB-26/2010 Dated.5.8.2010
- 4) From the Executive Engineer S.S.L.C. Division No. II Nellore, dated. 16.2.2011 addressed to the Engineer-in-Chief, Medium Irrigation, Hyderabad.

- S -

ORDER:

The Engineer in Chief, NTR Telugu Ganga Project, Srikalahasti in his letter 2nd read above, has reported that the work relating to “Raising Embankment from KM 2.00 to KM. 2.50 of Kandaleru Reservoir was entrusted to Sri K. Kota Reddy. As per the agreement , the Contractor has to complete the work within (18) months from the date of handing over the site, but the contractor could not complete the work within the stipulated time. Therefore, certain disputes were arose between the Contractor and department and the same were referred to the Arbitrator as per the orders of the Hon'ble High Court in CRP No. 2198/91 dated: 4.12.1991. The Arbitrator in his Award dt. 26.06.1992, While allowing certain claims has directed the respondent (1) to pay the claimant the Principal amount of Rs. 30,88,578/- and interest of Rs. 13,80,285/- calculated till Award date with subsequent interest at 18% per annum on Rs 30,67,313/- from Award date till payment or till the date of decree whichever is earlier (2) to pay the claimant the total sum of Rs. 27,500/- towards its proportionate costs of the proceedings (3) not to claim seigniorage at the received rates.

2. Aggrieved with the above Arbitration Award, dated: 26-06-1992, department have filed O.P. No. 97/92 before the Subordinate Judge, Nellore. The contractor has also filed O.P. No. 65/92 before the Subordinate judge, Nellore and the civil Court in its common order dated: 02-041993 in O.P. No. 65 and 97/92 while allowing the O.P. No 65/92 by making the award

as rule of Court has directed that the contractor is entitled to interest from the date of decree till the realization at 18% per annum and dismissed the O.P. No. 97/92 filed by the department. The decree holders have filed EP No. 104/94 in O.P. No. 65/92 before the Subordinate Judge, Nellore. On appeal, against the above order dated: 02-04-1993, the Hon'ble High Court in its interim order dated 13-12-1994 in CMP No. 20035/1994 in CRPNo. 3325/94 has stayed all further proceedings including the execution proceedings in E.P. No 104/94 in O.P. No. 65/92, subject to condition that petitioners deposits half of the amount decreed in the Lower Court to the credit of O.P. No. 65/92 within eight weeks from the date of the order. The Hon'ble High Court further ordered that out of the amount so deposited by the petitioner, the respondent shall be at liberty to withdraw half of the amount without furnishing any security. Government has filed appeal in CMA No. 1216/1993 & 3325/1993 against the common order dated: 02-04-1993 in O.P. No.97/1992 and in O.P. No. 65/1992 respectively and the Hon'ble High Court in its common Judgment dated: 8.6.2007 directed the respondents claimants to approach the Principal Secretary of the concerned department by filing appropriate comprehensive representatives on behalf of the claimants on filling of which the said authority shall hear both sides after giving notice and opportunity and make an effort to conciliate and settle the claims. The respondent – claimants shall file the said representation within a period of three weeks from today i.e., 02-04-1993. The Principal Secretary of the said authority shall conciliate the meetings and try to settle the matter within a period of three months thereafter. The parties are at liberty to approach the court by way of final settlement which would be arrived in between the parties or the failure report, on the basis of which necessary orders will be passed in terms of settlement or disposed off the matter on merits, if it warrants.

3. In pursuance of these directions, the matter has been discussed in the concerned conciliation committee with the above contractor. During the final conciliation with the contractor on 18.10.2010 the contractor has agreed for an amount of Rs.. 16,00,000/- as full and final settlement of all claims inclusive of principal and interest in all as lump sum. The contractor has submitted a declaration on a affidavit stating that he shall withdraw all legal proceedings in respect of the above subject work against the Government of A.P or its representative officer, if the agreed above amount is paid.

4. Government after careful examination of the above proposal, hereby accord sanction for an amount of Rs. 16,00,000/- (Rupees Sixteen lakhs only) as full and final settlement including Principal and interest in all as lump sum of Arbitration Award dated: 26.06.1992 to be deposited to the credit of OP No. 65/92 in respect of work relating to "Raising Embankment from KM 2.00 to KM. 2.50 of Kandaleru Reservoir was entrusted to Sri K. Kota Reddy, vide Agreement No.163/1984-85 dt. 23.1.1985. Subject to condition that the contractor shall withdraw all legal proceedings in respect of the above subject work against the Govt. of A.P., or its representative officer, if the above sanctioned amount is paid.

: 3 :

5. The expenditure sanctioned in para (4) above shall be debitale to the detailed Head of Account under" 4700- COL on Major Irrigation 01- MI 123-11 - SH 26 D & A 530-531 Other Expenditure. "

6. The Engineer-in-Chief, Medium Irrigation, Hyderabad/ the Engineer-in-Chief, NTR Telugu Ganga Project, Srikalahasti, shall deposit the above sanctioned decretal amount in the respective Court to the credit of O.P. No. 65/92 for avoiding further legal complications in the matter.

7. This order issues with the concurrence of Finance (W&P) Department vide their U.O No. 5800/F7/A2/10 Dt. 7.1.2011.

(BY ORDER AND IN THE GOVERNOR OF ANDHRA PRADESH)

DR. PRASANTA MAHAPATRA
PRINCIPAL SECRETARY TO GOVERNMENT

To

The Engineer-in-Chief , Medium Irrigation, Hyderabad.

The Engineer-in-Chief ,NTR Teluguganga Project, Srikalahasti .

The Accountant General, A.P. Hyderabad.

The Director Works Accounts, A.P. Hyderabad.

The District Treasury Officer, Nellore.

The Pay and Accounts Officer, Nellore.

Copy to : The P.S. to Special Chief Secretary to C.M.

The P.S. to Minister (M & MI)

The P.S. to Principal Secretary to Govt., I & CAD Department.

The Finance (W & P) Department.

The Law Department.

The I & CAD (P&B) Department.

S.F/ S.C

//Forwarded: By Order//

Section Officer.